



**STIPULATION**

It is hereby stipulated by Plaintiffs, Richard Klein, Raymond Urias and Sandra J. Gunter (“Plaintiffs”), and Defendants, Transworld Systems Inc. (“TSI”), National Collegiate Student Loan Trust (“NCSLT”) 2005-3, NCSLT 2006-3, NCSLT 2007-1, NCSLT 2007-2, and NCSLT 2007-3, and NCSLT 2007-4 (the “Trust Defendants”), and Pennsylvania High Education Assistance Agency (“PHEAA”) (collectively, “Defendants” and, with Plaintiffs, the “Parties”), through undersigned counsel, that discovery in this action be stayed pending resolution of Defendants’ respective motions to dismiss Plaintiffs’ First Amended Complaint (the “Motions to Dismiss”) (ECF Nos. 39, 40, 42). In support of this Stipulated Motion, the Parties respectfully state as follows:

**I. PROCEDURAL HISTORY**

On August 26, 2022, Plaintiffs filed a Complaint against the Trust Defendants. ECF No. 1.

On December 23, 2022, Plaintiffs filed a First Amended Complaint (the “FAC”), adding TSI and PHEAA as additional defendants. ECF No. 20.

On March 8, 2023, TSI and the Trust Defendants filed Motions to Dismiss the FAC. ECF Nos. 39, 40.

On March 13, 2023, PHEAA filed a Motion to Dismiss the FAC. ECF No. 42.

On April 10, 2023, Plaintiffs filed their Opposition to PHEAA’s Motion to Dismiss. ECF No. 52.

PHEAA’s Reply in Support of its Motion to Dismiss is currently due on April 17.

Plaintiffs’ Oppositions to TSI and the Trust Defendants’ Motions to Dismiss are currently due on April 19, 2023. *See* ECF No. 51.

## II. LAW AND ARGUMENT

As the Ninth Circuit has confirmed, “[t]he purpose of F.R.Civ.P. 12(b)(6) is to enable defendants to challenge the legal sufficiency of complaints without subjecting themselves to discovery.” *Rutman Wine Co. v. E. & J. Gallo Winery*, 829 F.2d 729, 738 (9th Cir. 1987). Likewise, a district court has “wide discretion in controlling discovery.” *Little v. Seattle*, 863 F.2d 681, 685 (9th Cir. 1988); *see also* Fed. R. Civ. P. 26(d)(1) (describing the court’s ability to limit the scope of discovery). Ultimately, when deciding whether to grant a stay of discovery, a court is guided by the objectives of Federal Rule of Civil Procedure 1 that ensures a “just, speedy, and inexpensive determination of every action.” *Schrader v. Wynn Las Vegas, LLC*, 2021 WL 4810324, \*3 (D. Nev. Oct. 14, 2021) (quoting Fed. R. Civ. P. 1); *see also Tradebay, LLC v. eBay, Inc.*, 278 F.R.D. 597, 601 (D. Nev. 2011) (explaining that courts evaluating the propriety of a stay have cautioned against the use of resources that may be rendered unnecessary, noting the simple, but accurate principle: “Discovery is expensive”).

All Defendants have Motions to Dismiss pending before the Court seeking dismissal of all of Plaintiffs’ respective claims against each of them. *See* ECF Nos. 39, 40, 42. Plaintiffs have already filed an opposition to one of the Motions to Dismiss (ECF No. 52) and will soon file their oppositions to the two remaining motions. The Parties are in agreement that discovery is not required for the Court to decide the Motions to Dismiss. Because the Court’s ruling(s) on the Motions to Dismiss could potentially result in dismissal of the entire case (or some Defendants), it would be an inefficient use of resources to engage in discovery prior to the Court’s ruling. *See Sibley v. U.S. Sup. Ct.*, 786 F. Supp. 2d 338, 346 (D.D.C. 2011) (“[I]t is well settled that discovery is generally considered inappropriate while a motion that would be thoroughly dispositive of the claims in the Complaint is pending.”).

### III. CONCLUSION

For the foregoing reasons, the Parties respectfully request the Court stay all discovery until the Court issues a decision on Defendants' Motions to Dismiss the FAC.

IT IS SO STIPULATED.

Dated: April 18, 2023

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**ORDER**

Pursuant to the Parties' stipulation, IT IS HEREBY ORDERED:

Discovery in this matter is STAYED in its entirety pending a ruling on Defendants' Motions to Dismiss (ECF Nos. 39, 40, 42). In the event the Court allows one or more claims to proceed, any remaining parties shall submit a proposed discovery plan and scheduling order no later than **14** days after the Court issues its ruling.

IT IS SO ORDERED:



UNITED STATES MAGISTRATE JUDGE

DATED: April 20, 2023